

Taconite Area Business Relief Loan Program

Taconite Area Business Relief Loans provide funds to local businesses that have been adversely impacted by the COVID-19 pandemic in the form of loan interest loans.

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Program Administration: The Entrepreneur Fund will receive a non-recourse loan of up to \$5,000,000. The Entrepreneur Fund will accept all loan applications and will recommend funding to the agency. Agency staff will review and approve all applications prior to funding. The agency will fund the Entrepreneur Fund individually for each loan. The Entrepreneur Fund is responsible for the origination and administration of all loans.

Eligible Applicants: Existing small businesses based in the agency's service area that have been in operation for at least one year and were operating on March 1, 2020 and will be required to provide financial documentation to confirm. All businesses but intend to open if currently closed in order to be eligible. Businesses must be actively managed and loans must be personally guaranteed by primary owners. A blanket UCC finance statement must be filed.

Eligible Projects: Funds are intended to provide working capital to businesses, however, any legal business purpose is eligible.

Funding: Taconite Area Business Relief Loans are funded at \$5,000,000 for FY21. The maximum loan amount to a business is equal to three months operating expenses, up to \$40,000. The interest rate will be 2%. Maximum loans will be 60 months, after a six-month deferment period (accrued interest will be due at the end of the deferment period)

Additional Information

- The agency, at its sole discretion, can make exceptions to the one year in operation criteria.
- Funding through this program is intended to supplement, not replace other state and/or federal relief programs. Loan applicants must certify that they have applied for or are not eligible for these programs.
- A 5% origination fee will be paid to the Entrepreneur Fund per loan.
- The Entrepreneur Fund will invoice the agency quarterly for origination fees.
- All interest will be retained by the Entrepreneur Fund as an administration fee.
- The Entrepreneur Fund will provide quarterly reports for all loans as well as quarterly principal payments to the agency.
- Eligible disbursements may be funded through December 31, 2021.
- The due date for the non-recourse loan is June 30, 2027.
- The agency reserves the right to amend the guidelines at any time.